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NEWS RELEASE

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AIG Policyholders Protected by Solvency Standards

BOISE ID – (Sept. 17, 2008) — The Idaho Department of Insurance has received numerous calls from consumers with concerns about the financial issues facing American International Group (AIG). The National Association of Insurance Commissioners (NAIC) issued a statement yesterday reassuring consumers, "If you have a policy with an AIG insurance company, they are solvent and have the capability to pay claims. Our job is to ensure that they continue to have the ability to pay."

Department Director Bill Deal explained, "AIG is a holding company, a federally regulated legal entity that is separate from the insurance companies it owns." AIG's subsidiary insurers are governed by state laws designed to protect the interest of policyholders.

"Our job as state regulators is to make sure insurance companies operate on a financially sound basis," said Deal. "Our goal is to protect the interest of Idahoans, and we will be working closely with AIG management and other regulators."

NAIC President Sandy Praeger said, "State regulators have numerous actions they can take to prevent an insurer from failing. Claims from individual policyholders are given the utmost priority over other creditors in these matters — and, in the unlikely event that assets are not enough to cover these claims, there is still another safety net in place to protect consumers: the state guaranty funds. These funds are in place in all states. If an insurance company becomes unable to pay claims, the guaranty fund will provide coverage, subject to certain limits.

"It is a state insurance regulator's responsibility to protect policyholders and ensure a healthy, competitive market for insurance products. Strict solvency standards and keen financial oversight — based on conservative investment and accounting rules — continue to be the bedrock of state-based insurance regulation."

The Department of Insurance encourages consumers to call with questions or concerns about this or other insurance-related issues, 334-4250 in Boise, or 800-721-3272 toll free statewide.

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